(367)

TD

Distr.
GENERAL

TD/B/C.4/337
TD/B/C.4/AC.7/12
9 November 1990

Original: ENGLISH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD
Committee on Shipping
Fifteenth session
Geneva

REPORT OF THE AD HOC INTERGOVERNMENTAL GROUP OF PORT EXPERTS ON THE DEVELOPMENT, IMPROVEMENT AND OPERATION OF PORTS ON ITS SESSION

held at the Palais des Nations, Geneva,
from 24 to 28 September 1990

CONTENTS

Chapter		Paragraphs
	Introduction	1 - 8
I.	Port Development: Operations and Administration	9 - 27
II.	Port Management, training and technical co-operation .	28 - 35
III.	Work programme	36 - 39
IV.	Other business	40 - 43
V.	Proceedings at the closing meeting	44 - 53
VI.	Organizational matters	54 - 62

ANNEX

Recommendations of the Ad hoc Intergovernmental Group of Port Experts to the Committee on Shipping at its fifteenth session

GE.90-52891/2594B

INTRODUCTION

1. The Ad hoc Intergovernmental Group of Port Experts was convened at Geneva, from 24 to 28 September 1990, in response to resolution 61, section IV (XIII) of the Committee on Shipping, adopted on 22 March 1988, which, inter alia:

> "Invites the Secretary-General of UNCTAD to convene, within available resources, not later than the third quarter of 1989, an ad hoc intergovernmental group of port experts to review the practical problems which arise in respect of the development, improvement and operation of ports, and in the light of this review:
>
> (a) To examine the secretariat's work in relation to the three highest priority studies requested at the first session of the Group, namely:
>
> (i) Problems arising in setting up trans-shipment facilities in developing countries (taking account of the interests of both ports and ship operators);
>
> (ii) Data processing in the domain of port operation and documentation;
>
> (iii) Maintenance of port equipment;
>
> and study
>
> (iv) The possibilities for regional co-operation in developing countries in the field of ports, with a view to ensuring the best use of scarce resources;
>
> and to propose follow-up action appropriate for local, national and intergovernmental consideration.
>
> (b) To review and monitor the work carried out by UNCTAD in the field of port management training and advisory services and to make suggestions for future activities.
>
> (c) To prepare a report, with recommendations for the future work of the secretariat, for submission to the Committee on Shipping at its fourteenth session.
>
> Recommends that States members of UNCTAD participate in the ad hoc intergovernmental group of experts on ports by sending persons with special responsibility for, or expertise in, port policy or the management and operation of ports."

2. During the Group's session, it held two plenary meetings, and a number of informal meetings. Its substantive discussions, under agenda items 3, 4 and 5, were mainly conducted in the informal meetings, in accordance with the decision taken at the opening plenary, on 24 September 1990.

A. Introductory statement

3. The Director of the Shipping Division, speaking on behalf of the Secretary-General of UNCTAD, observed that there were many port directors and high officials from port authorities among the delegates participating in this session of the Ad hoc Intergovernmental Group of Port Experts. This was surely an expression of the confidence vested in UNCTAD. Since the Group's session four years ago, in March 1986, the report of that meeting had been submitted to the twelfth session of the Committee on Shipping which, in taking note of it, had invited the secretariat to adapt its work programme accordingly. In March 1988, at its thirteenth session, the Committee on Shipping had requested the secretariat to again convene an ad hoc intergovernmental group of experts.

4. The key issues retained for examination by the Group - port development, operations and administration - were particularly relevant and should probably stand as the main themes for the future analytical work by the secretariat, if the Group so agreed. As requested, four studies had been prepared for the present session, namely, on trans-shipment, computerization, co-operation among ports and maintenance of equipment. In addition, a fifth study had been financed from extrabudgetary resources. It described an interesting experiment carried out by Morocco in the field of port organization, administration and improvement.

5. With regard to the substantive aspects of the agenda items, he underlined the new role of ports in country development. No longer simply places where goods were transferred between land and sea, certain ports had become veritable service centres and played a leading role in stimulating international trade. Promotion of trade, and electronic data processing and exchange for greater quality/cost efficiency were two examples of this evolution. Participants were invited to provide further information on developments in the area of distribution and storage, creation of industrial or commercial zones, trans-shipment and transit routes for land-locked countries.

6. Technical assistance and training activities were also important in the secretariat's view. He thanked the generous donors who were giving financial support to these efforts: Belgium, Canada, France, Netherlands and Sweden. Further funding would soon be needed, however, to help the developing countries. Integration of the various training programmes carried out by the secretariat - IPP, TRAINMAR, JOBMAR and the seminars and fellowships - was being given high priority. Co-operation with IMO and ILO had been strengthened through the establishment two years ago of a joint task force. UNCTAD co-operation with the World Bank had been particularly fruitful in producing training materials on port equipment maintenance for container terminals. The United Kingdom had given considerable support to basic research in this regard.

7. As for the future work programme, he foresaw a dynamic expansion in the role of ports, as the sea would remain the main transport vector and ports would become more and more a motive force in the transport chain. The secretariat's role was to aid in this transition through analysis and research, technical assistance and training, particularly since developing countries may not have the means at their disposal to carry out the essential studies. In the light of their experience, the advice of the experts would be especially welcomed.

READEX FICHE

B. Organization of work

8. The task of the Ad hoc Group was first to review practical problems and then, in the light of this review, to examine studies, review activities and make recommendations for submission to the Committee on Shipping. Upon adopting the agenda, the Group decided to start the examination of those problems directly linked to the five studies prepared by the secretariat. A more general review of the other issues relating to port development, operations and administration was done when examining the practical case of Morocco. During the corresponding discussions, recommendations were made for future activities. This approach was taken so as to link the review of problems with consideration of practical solutions. Therefore, some of the recommendations formulated under agenda item 3 were reiterated under agenda item 5, where proposals for the future work programme were made to the Committee on Shipping.

Chapter I

PORT DEVELOPMENT: OPERATIONS AND ADMINISTRATION

(Agenda item 3)

9. For the consideration of this item, the Ad hoc Group had before it the following documents submitted by the UNCTAD secretariat: TD/B/C.4/AC.7/7, AC.7/8, AC.7/9, AC.7/10, AC.7/11 and UNCTAD/SHIP/627.

10. Introducing the item, the Chief of the Ports Section, UNCTAD Shipping Division, underlined the fact that the development, operation and administration of ports were closely interrelated activities. The five studies on these subjects covered areas of particular relevance today for all ports and particularly those in developing countries. Document TD/B/C.4/AC.7/7, chapter I, contained a summary of the content and recommendations of the five studies, dealing respectively with the establishment of trans-shipment facilities in developing countries, the use of computers in ports, maintenance of port equipment, co-operation among ports, and port organization and administration. In introducing the five studies, he indicated the major issues and made suggestions for follow-up action by the Group.

11. The Group stated that the study on trans-shipment facilities was of a high quality and that its content and conclusions should be of interest to many countries, in particular developing ones (TD/B/C.4/AC.7/10). The ports deciding to embark on the development of trans-shipment facilities were taking a risk if they did not have sufficient national cargo to justify the heavy investments or if they were located far from the main maritime routes. In any case, a decision to develop such facilities required in-depth investigation and feasibility studies. On the issue of trans-shipment, the Group had benefited from the experience of Malta; more than $200 million had been invested to establish trans-shipment facilities at Marsaxlokk where, however, the facilities had remained under-utilized for four years. To attract traffic, legal, organizational and operational changes were necessary. Legislation was required to create a free port. An autonomous free port corporation was thus established; a new labour agreement was negotiated and a joint venture was established to operate the terminal. This terminal has now been handling a throughput of 100 000 TEU per year.

12. Although regional co-operation should help to reduce over-investment in trans-shipment facilities, no experience of such co-operation had been found. The Group therefore recommended that co-operation to this end should be promoted. Shipowners should be associated, to the extent possible, with the establishment of such facilities. The high quality of services required in trans-shipment terminals would stimulate overall improvement of ports whether or not the level of traffic expected was attracted. Concern was also expressed over the additional investment required to deal with changes in container size standards. The Group recognized that, in certain countries, trans-shipment services could facilitate expansion and accordingly foster the regional development desired through the establishment of feeder services which did not require heavy investments in ports. The Group believed that trans-shipment was a subject which merited further study by the Shipping

Committee because of its wider field of competence, particularly in respect of the key role shipowners play in the development of trans-shipment networks and government policy for the promotion of national fleets.

13. The Group congratulated the secretariat on the quality of its report on the use of computers (TD/B/C.4/AC.7/11) and noted the importance of training staff and developing the appropriate software. The need was stressed to plan carefully the development of computerization and to involve all parties. The interchange of information within ports and from country to country was increasing, particularly with the development of international standards for electronic data interchange. Training programmes, as recommended in the UNCTAD studies, should be given priority in UNCTAD's future programme. The Group also took note of the draft study which concentrated on three operational information systems. The descriptions contained in the study would assist in the development of computer systems. It was suggested that information should be provided on the difficulties encountered in designing and implementing information systems.

14. The Group noted that maintenance of port equipment was a major problem for ports in developing countries as they were neither producers of equipment nor of spare parts. Often port organizations needed to obtain spare parts directly from the manufacturers of components rather than from suppliers. The recommendations jointly developed by UNCTAD and the World Bank presented in the study (TD/B/C.4/AC.7/9) were endorsed by the Group. The investigation made to cover comprehensively such a topic was commended for its high quality.

15. The Group recalled the need to make Governments and port authorities aware of the problems and the need to streamline procedures for procuring spare parts. The importance of preparing for maintenance from the initial stage of procurement of equipment was also stressed. Such an approach was important particularly for large investments, such as ship-to-shore container gantry cranes. Difficulties with procurement of equipment and spare parts in some ports had been resolved by contracting out cargo-handling activities to private contractors. In some cases, these measures had not solved the problem completely. For certain widely used equipment, maintenance could be contracted out, but some ports preferred to carry out maintenance tasks themselves, particularly in the case of specialized equipment crucial for operation and unique to the terminal, for example, gantry cranes. Ports organizations aware of local operating conditions could co-operate with manufacturers to produce equipment designs better suited to their unique operations. One aspect of equipment maintenance was availability of qualified personnel. Hence technical institutes for training technicians and supervisors should be used to give basic training to staff from the ports industry. Furthermore, a balance must be found between the number of different makes of each type of equipment: offering a choice but limited in terms of spares required. To this end, donors should be more flexible in assisting ports to standardize equipment.

16. The Group paid tribute to the high quality of the report on co-operation among ports in developing countries. The Group took note of the efforts of the Committee on International Port Development of the International Association of Ports and Harbours (IAPH) to promote co-operation and learned that the "sister port" scheme had been replaced by the more practical "regional port seminar" scheme.

17. The different modalities whereby co-operation could be developed were discussed and the Group agreed that technical co-operation could be carried out on an ad hoc basis or be more formal and rely, for example, on a protocol of agreement of co-operation. Co-operation was recognized as a very useful feature in the event of disaster or pollution.

18. The Group was informed of the co-operation in operations and management among members the Asean Port Authorities Association. Further, the Group was told of the activities carried out in the port management associations active in three regions of Africa, namely, West and Central Africa, East and Southern Africa and North Africa. It was pointed out that a number of co-operative activities had been carried out in those associations. They ranged from harmonization of tariff structures and statistics to assessments of future scenarios for port development. Special mention was made of co-operative efforts in the field of training, notably the activities of the regional maritime academies, and the TRAINMAR co-operative network of training institutions.

19. Furthermore, the Group learned that training was an area in which the International Labour Organisation (ILO) had implemented fruitful co-operative activities. The resources of several Latin American countries had been pooled so as to produce courses. In the process they had also been able to exchange materials and staff. Finally, the Group endorsed the recommendations of the study (TD/B/C.4/AC.7/8), namely to concentrate on co-operation in the fields of (a) training, (b) participation in regional/international port associations and (c) exchange of technical expertise.

20. The Group agreed that, in the field of co-operation, training was an important element to be considered because for good results qualified managers were necessary. Moreover the field of maintenance was also amenable to co-operation as exemplified by some far east Soviet ports where stocks were purchased and stored centrally for distribution on demand to neighbouring ports.

21. The Group noted that co-operation should be strengthened through support of regional and international associations and by making greater use of regional and national expertise from ports of developing countries.

22. In the field of port administration and organization, the Group heard from the General Manager of the Ports Operating Authority (ODEP) concerning the experience of Morocco (UNCTAD/SHIP/627). When a port is embarking on a major reorganization exercise to improve productivity, there are two main objectives: firstly to take great care of the requirements of the user; and secondly to involve and motivate port personnel. There are also three basic conditions:

- Strong political will to introduce changes;

- Qualified and motivated people in key positions;

- Sufficient resources.

23. The five keys to success are:

- To develop good communications (within and outside the organization);
- To have a strong will to succeed;
- To adopt rigorous management rules;
- To avoid wastage of resources;
- To achieve results in the short term thus assuring long-term change.

24. In addition, the following aspects will help in obtaining good results:

- The top management has to set a good example;
- Management should take an interest in the work of employees and visit them often;
- Order and good "housekeeping" are required;
- Action plans and strategic plans are needed;
- The management should personally take responsibility for specific tasks;
- Impartiality is required;
- Commitments should be followed up and implemented.

25. The presentation on the reorganization of ODEP generated great interest. Questions raised covered various issues including the social aspects and the involvement of personnel, as well as the impact on other government organizations, such as customs, etc. The Group also discussed the issue of private and public participation in the administrative board of the organization. It was emphasized that the achievement of such results needed freedom from excessive administrative and financial controls. The Group agreed that in order to achieve similar results it was implicit that the necessary means would be available, including financial resources; this in turn implied having the possibility to adjust port tariffs to meet the needs. The Group showed great interest in the creation of small operational autonomous units, such as in Morocco, with the allocation of all necessary means including equipment and personnel.

26. In the field of port development and operations, it was suggested that developing countries which cannot afford to invest in large trans-shipment ports should investigate the possibility of becoming a "niche player" in fields complementary to the main traffic. The new services provided by modern ports, in particular in the field of distribution, were emphasized. Distribution requires the availability of an excellent logistics system, including electronic data processing. The Group also examined the issue of privatization in relation to port development. Several comments were made on

the suitability of this approach as it depended on the situation prevailing in the country, taking into account elements such as the maturity of the private sector and its capacity to invest in port facilities and equipment.

27. In concluding this item, the Chairman underlined the fact that most of the key issues relating to the development, improvement and administration of ports had been reviewed during the debates. The key point of State control on the port, autonomy and privatization had been discussed. Port organizations were like other organizations in that they should be managed and developed as enterprises. The quality of services rendered to port users was important. The personnel had to be motivated and factors other than salary were important in this regard. The Group recognized that the question of surplus labour was an important problem. The role of the port was evolving from one of cargo handler to that of provider of multiple services to users. The port was a vital factor in national development, particularly in developing countries where very often more than 90 per cent of the foreign trade goes through the ports.

Chapter II

PORT MANAGEMENT, TRAINING AND TECHNICAL CO-OPERATION

(Agenda item 4)

28. This item and the corresponding document TD/B/C.4/AC.7/7, chapter II, were introduced by the Chief of the Ports Section along with other members of the secretariat. It was emphasized that technical co-operation and training activities complemented the analytical work. They had always formed an important part of the overall work programme of UNCTAD concerning ports. Training alone had represented more than 50 per cent of the technical assistance budget over the past year. Recently an evaluation of the programme had been made and presented to the Committee on Shipping (TD/B/C.4/331 and Add.1). In the training field, the recommendation was to strengthen co-ordination among the various training activities: IPP, TRAINMAR, JOBMAR, seminars, etc. Hence a new training strategy had been devised and was being applied to the field of port equipment. These activities were financed from extrabudgetary resources, including assistance from UNDP and donor countries such as Sweden, Netherlands, France and Canada.

29. The Group was unanimous in its emphasis on the importance of training. It underlined the fact that although UNCTAD had done much in this field, there was still a lot to be done. In particular, more work such as that done by TRAINMAR in strengthening local training capability was needed.

30. The Group was pleased to learn that co-operation among UNCTAD, ILO and IMO in the field of port training was now under way. It suggested that the results of this collaboration be published. The Group supported the integrated approach to training developed by UNCTAD as it allowed for the participation of international organizations and other parties in training activities. The Group advised that all training activities should form part of human-resources development policy, an approach that should not be restricted only to developing countries.

31. On the question of the status to be given to trainers and the training centres, the Group deemed it important that this problem be tackled from the outset so as to avoid wastage of resources and to ensure that staff assigned to a training centre were given prospects for career development. On the related point of establishing training centres on a national or regional basis, there was agreement to encourage and support such a trend and to include in the list of countries to be assisted those maritime countries of Eastern Europe which had recently changed their political and economic systems.

32. The need to match trainee requirements with the training provided was underlined by the Group, particularly for the activities of the JOBMAR programme and the training activities carried out in Spain by the Ibero-American Ports and Coasts Association for the benefit of Latin American trainees.

33. The Group emphasized that training should be given high priority. It welcomed the strengthening of co-operation within the United Nations system itself and among other organizations. It further supported the recommendations

of the evaluation of the UNCTAD programme and, accordingly, the new orientation given to Improving Port Performance (IPP) and TRAINMAR which would strengthen their coherence and complementarities. The Group underlined how essential support from donor countries and financial institutions was for strengthening the human resources of ports in developing countries.

34. The Group congratulated the secretariat on the quality of the work done in the field of technical assistance for the benefit of developing countries. Co-operation with other organizations such as IMO and ILO was noted and was to be encouraged. There were some cases where technical assistance projects had to be terminated when they were at an advanced stage of implementation because of lack of funds. This should be avoided. The Group took note of the UNDP-financed regional project on Human Resources and Institutional Developments in African Ports and expressed interest in the approach adopted. The Group would welcome more information on the results achieved. The project (RAF/89/028) had shown, inter alia, that managers could obtain good results if not hampered by excessive regulation and control. The Group invited donor countries and financial institutions to continue providing financial support to the various national, regional and interregional UNCTAD programmes and hoped that the advisory programme for the implementation of UNCTAD studies could be extended.

35. The Group was informed that some developing countries were contributing financially to the UNCTAD technical assistance programmes in the field of ports. This was seen as a clear recognition of the high quality and importance of this assistance. This participation should encourage donor countries and financial institutions to contribute. The Group was also informed of technical assistance granted by developed countries through bilateral agreements.

Chapter III

WORK PROGRAMME

(Agenda item 5)

36. For the consideration of this item, the Ad hoc Group had before it the document on port development (TD/B/C.4/AC.7/7) which was introduced by the Chief of the Ports Section. In the future work programme, the secretariat's research activities would seek to explore the future of ports, defining their role towards the beginning of the next millennium. Great foresight was required. New developments taking place or envisaged in fields directly or indirectly related to port activities had to be taken into account. He gave a brief indication of the expected changes in the transport sector and the corresponding expected new role of the port as a service centre and a key element in the integrated transport chain. Accordingly, he suggested some themes for future investigation, including the updating of selected studies that had been undertaken in the early 1970s.

37. Several delegates from developing countries had emphasized how important it was for them to have the UNCTAD secretariat play the role of research and reference centre in the field of ports, since very often developing countries did not have the means to establish such centres. There was a need to consider in the future work programme the specific needs of the countries of Eastern Europe which had shifted from a centralized economy to a market-oriented and decentralized system. There was also a need to ensure that improvements made by a port would benefit that port and the country that had made them, and not only the shipping companies. The Group wished to draw the attention of the Committee on Shipping to this issue so that appropriate action could be taken.

38. The Group agreed that five studies, if possible, should be prepared by the secretariat in the following areas:

(i) The principles of modern port management and organization;

(ii) Development of the commercial functions, promotion of the port area and of the concept of the port as a service centre;

(iii) Development of human resources;

(iv) The legal and regulatory aspects of port activities;

(v) Strategic planning.

39. Furthermore, the Group recommended that the following subjects should be studied whenever sufficient resources were available:

(i) The fixing of tariffs and port finance;

(ii) Relations between the city and the port;

(iii) Trans-shipment (case study in a developing country).

Chapter IV

OTHER BUSINESS

(Agenda item 6)

40. On the question of dissemination of information, the Group requested the secretariat to continue the practice of issuing a Newsletter at least once a year and if possible twice. It should be addressed to all maritime countries without exception. As for the content of the Newsletter, it should contain the agreements reached in the ILO/IMO/UNCTAD Working Group on port training. Technical information of interest to all ports, such as new developments in container standards, should also be included.

41. For the monographs that UNCTAD has been publishing in conjunction with IAPH, the Group commended the results achieved so far. Following the presentation made on a forthcoming monograph on multipurpose terminals, the Group appealed to other qualified specialists in developed and developing countries alike to contribute further monographs. It also requested the secretariat to make every effort to disseminate these useful publications to developing countries.

42. The Group also recommended the extension of the informal network of focal points to all countries, so that the information reached those directly concerned. Each focal point should in turn distribute the information within the country.

43. On the question of the frequency of meetings, there was consensus that the next meeting of the Group should be convened between the fifteenth and sixteenth sessions of the Committee on Shipping, so that the sixteenth session could review the recommendations made. It was also suggested to combine this meeting with a seminar for top management on topics such as computerization and electronic data interchange (EDI) in order to justify the travel costs for participants coming from distant countries. It was strongly urged that future studies should be circulated to the countries, including the focal points, at least two months prior to a meeting.

Chapter V

PROCEEDINGS AT THE CLOSING MEETING

A. Action by the Ad hoc Group

44. At its closing meeting, on 28 September 1990, the Ad hoc Group adopted a set of recommendations prepared in the course of its informal meetings, for transmission to the Committee on Shipping at its fifteenth session. 1/ It likewise adopted a summary of its informal discussions, for inclusion in the present report.

B. Closing remarks

45. The representative of Côte d'Ivoire, on behalf of the Port Management Association of West and Central Africa (PMAWCA), expressed satisfaction with the work accomplished, stressing in particular the future orientation set by the adopted recommendations. He considered that the task of the Group had been facilitated by the competent studies provided by a dynamic secretariat in the Ports Section. UNCTAD's support in preparing studies and organizing seminars was greatly appreciated. Thanks were also extended to the United Nations Development Programme (UNDP), the International Maritime Organization (IMO), the International Association of Lighthouse Authorities (IALA) and donor countries for their unfailing financial support. It was hoped that this co-operation would continue. He voiced concern, however, that continuation of the UNDP-financed regional programme on harmonization of tariff structures and introduction of cost-accounting systems had been compromised for lack of financial resources. Furthermore, greater involvement of local experts would be desirable.

46. The representative of the United Republic of Tanzania raised the matter of ongoing technical assistance and training programmes. Gratitude was expressed to the Government and donor agencies involved in this important assistance and training programme, namely: UNDP, USAID, and UNCTAD, for financing the various transit corridor projects; NORAD and ILO for the port training school in Dar-es-Salaam; FINNIDA for training operators and technicians on container terminal equipment; the Government of the Netherlands for financing the training programme mentioned in UNCTAD document TD/B/C.4/AC.7/7. Then he cited a specific project of assistance for transit corridors in land-locked countries in the Southern African subregion. Tanzania had benefited considerably from this regional project. It had been able to secure assistance in the area of general and cost accounting. A manual had been prepared on each of these subjects. Assistance had also been given in the field of statistics (covering initially shipping operations statistics) and computer usage in ports. For this a master plan had been prepared. The Advance Cargo Information System (ACIS) was of particular interest for land-locked countries as it allowed monitoring of the movement of import cargo from the time of loading on a vessel right through the port system to its destination in any land-locked country relying on Tanzanian ports. ACIS would also be implemented in two other regions: Eastern Africa and Western Africa. Although the project had not been mentioned in the documentation or discussions, it should nevertheless be extended, he believed.

47. The representative of Nigeria delivered a statement from the Chairman of the Committee on International Port Development (CIPD) and UNCTAD/IAPH Liaison Officer. Referring to the intense co-operation between UNCTAD and the International Association of Ports and Harbours (IAPH) in the past and the benefits derived from attending meetings of the Group, the remarks were intended to put on record that IAPH would continue co-operation with UNCTAD on the various projects in the years to come.

48. The representative of Poland commended the significant steps taken during the course of the session, and noted that UNCTAD's role would become increasingly important. Furthermore, UNCTAD training programmes should be implemented in Poland and other countries of eastern Europe.

49. The representative of the Federal Republic of Germany observed that knowledge had been gained during the session of value for both developing and developed countries. Particularly appreciated were the steps taken towards enhancing the standards of ports located in developing countries so as to bring them up to an international level.

50. The Director of the Shipping Division delivered the closing statement of the Secretary-General of UNCTAD, who had met with the experts prior to the closing meeting. In the statement, he congratulated the Group for the quality of the work accomplished and the decisions taken, particularly the valuable recommendations. The intention to study ports as a service centre and the engagement to draw the attention of Governments to the potential of this concept to give ports a new role in national development could be considered significant. The Group's praise for the studies, technical assistance and training activities undertaken through UNCTAD was indeed reassuring for the secretariat in that it could be taken not only as an expression of confidence in UNCTAD but also as an indication that the work accurately reflected current issues in the ports industry. The fact that UNCTAD was viewed as a competent research and reference centre in the domain of ports for developing countries was deemed a great honour and responsibility. Implementation of the recommendations of the Group would begin immediately, as the Committee on Shipping had instructed the secretariat to adjust the work programme accordingly, pending its review of the recommendations two years hence. For the Group's next meeting, all steps necessary would be taken to improve the Group's functioning. Already, the recommendation to extend to all countries the informal network of port focal points would improve the dissemination of information and allow more port managers to participate in future meetings.

51. On closing, the Chairman expressed his satisfaction with the positive, concrete results achieved. He underlined the importance of viewing the port and the port community as an active agent of economic growth rather than a static place. A diversification of functions was making ports into service centres and marketplaces which could stimulate industrial development, with the port serving as a catalyst for international trade. The implications of this evolution should be seen as a hopeful sign for ports in developing countries.

52. He went on to stress that trans-shipment was a concept which could entrain a radical change in the role of ports worldwide. However, ports - especially those outside the main trade routes - would have to guard against

costly over-investment but still meet the new demands for greater speed and efficiency. Ports were particularly important for trade because an increase in their productivity had a strong impact on market expansion and product competitivity. Uncertainties surrounding the introduction of non-standard containers, with all that this implied for accelerated obsolesence of port equipment and investments already in place, had made it more urgent than ever to optimize productivity and manage the business in a rigorous way. To this end, computers must be integrated progressively into the system and people at all levels involved in ports must be trained. All institutions concerned with assistance and technical co-operation had an important role to play with respect to both South-South and North-South co-operation and development of ports, in terms of participation in common activities, exchanges of experience, and better utilization of human resources and local experts.

53. He expressed confidence in the Secretary-General of UNCTAD to carry out follow-up action for implementation of the recommendations of the Group of Experts and to assure that the Ports Section had the means to fulfil the mission entrusted to it. Countries were urged to continue their support and to intensify it where possible. In closing, the Chairman voiced the hope that the experts on returning home would find ways to make their ports real tools of development in the national economy.

Chapter VI

ORGANIZATIONAL MATTERS

A. Opening of the session

54. The session of the Ad hoc Intergovernmental Group of Port Experts was opened on 24 September 1990 by the Director of the Shipping Division, who made an introductory statement. 2/

B. Election of officers (agenda item 1)

55. At its 1st (opening) meeting, the Ad hoc Group elected the following Bureau:

Chairman: Mr. J.M. Moulod (Côte d'Ivoire)

Vice-Chairman: Mr. A.Y. Shutka (USSR)

Rapporteur: Mr. A. de Wilde (Belgium)

C. Adoption of the agenda and organization of work (agenda item 2)

56. At its opening meeting, the Ad hoc Group adopted the provisional agenda in TD/B/C.4/AC.7/6, as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Port development: operations and administration
4. Port management training and technical co-operation
5. Work programme
6. Other business
7. Adoption of the report of the Ad hoc Intergovernmental Group to the Committee on Shipping.

57. The Ad hoc Group endorsed the organization of work suggested in document TD/B/C.4/AC.7/6. At its 1st plenary meeting, it decided to hold the main body of its discussions in informal meetings. 3/

D. Membership and attendance 4/

58. The following States members of UNCTAD were represented at the session: Algeria; Australia; Bahrain; Belgium; Cameroon; Canada; Côte d'Ivoire; Democratic People's Republic of Korea; Egypt; France; Gabon; Gambia; Germany, Federal Republic of; Ghana; Guinea; Haiti; India; Indonesia; Iraq; Italy; Kenya; Mali; Malta; Mauritius; Mexico; Morocco; Nigeria; Norway; Papua New Guinea; Philippines; Poland; Portugal; Republic of Korea; Saudi Arabia; Senegal; Somalia; Spain; Thailand; Togo; Turkey; Union of Soviet Socialist Republics; United Republic of Tanzania.

59. The following specialized agencies were represented at the session: International Labour Organisation; World Bank.

60. The following intergovernmental organizations were represented at the session: League of Arab States; Ministerial Conference of Western and Central African States on Sea Transport; Organization of African Unity.

61. The following non-governmental organizations were represented at the session: Special Category: International Association of Ports and Harbours; International Container Bureau; Ibero-American Ports and Coasts Association.

E. Adoption of the report of the Ad hoc Intergovernmental Group to the Committee on Shipping (agenda item 7)

62. At its 2nd (closing) meeting, on 28 September 1990, the Ad hoc Group adopted its draft report (TD/B/C.4/AC.7/L.2 and Add.1), with some amendments, and authorized the Rapporteur to complete the final version as appropriate.

Notes

1/ For the text, as adopted, see the annex below.

2/ See paras. 3 to 7 above.

3/ See para. 2 above.

4/ For the list of participants, see TD/B/C.4/AC.7/INF.2.

ANNEX

RECOMMENDATIONS OF THE AD HOC INTERGOVERNMENTAL GROUP OF PORT EXPERTS TO THE COMMITTEE ON SHIPPING AT ITS FIFTEENTH SESSION

1. During its closing meeting on 28 September 1990, the Group adopted the following recommendations proposed by the Chairman. These recommendations will be submitted to the Committee on Shipping for consideration at its fifteenth session, as required by resolution 61 (XIII). They are classified under two headings: general recommendations on port development, improvement and operations; and recommendations relating to the activities of the UNCTAD secretariat, namely the technical assistance and training programme and the future study programme.

A. General recommendations on port development, improvements and operations

2. The foreseeable evolution of international trade and of the transport activities connected with it, in particular shipping activities, puts the port, or to be more precise, the port area and the community that serves it, in a position to play a wider role than in the past, converting itself into a "service centre" and becoming one of the driving forces in the development of the trading activities of the country or region. Governments and ports that have not already done so are recommended to anticipate these changes, to prepare for them and to facilitate their implementation when to do so is in the interest of the country. All the conditions must be favourable for these changes to be beneficial and for the port to be able to play this new role. In essence, the port authorities themselves are called upon to define and apply the changes in structure, in practices and in outlook needed in order to improve performance and to be more efficient. The authorities under whose jurisdiction the port lies should encourage these improvements by acknowledging the specific nature of the port as a bridge between the country and the outside world, by promoting the decentralization of decision-making, autonomy, and commercial methods, and, when this is in the interests of the countries concerned, by privatizing some port functions and activities. The controls that are often necessitated by the public nature of some port services and installations should be carried out with circumspection, with limitations on their number and frequency and without interference to the smooth running of operations. Governments and port authorities might find inspiration in this sphere in the basic principles and approach adopted by Morocco, as described in document UNCTAD/SHIP/627.

3. The new services offered by some ports include trans-shipment. The Group recommends that countries wishing to develop trans-shipment facilities and activities take note of the study of this matter made by UNCTAD (TD/B/C.4/AC.7/10) and allow their policy to be guided by its conclusions and recommendations. The Group recommends that regional and international port associations and the UNCTAD secretariat continue to work towards the establishment of co-operation agreements on a regional basis in order to avoid excessive competition leading to investments too large for their purpose and under-utilized. The Group invites port authorities to attempt to involve shipping lines in the construction of trans-shipment facilities since they are the principal users of these facilities. With respect to the role that developing-country ship operators are called upon to play in this area of

trans-shipment, the Group considers that they can play an appreciable role, and that they could usefully try to co-operate or to form associations in order to be in a better position to face up to market requirements. That is, however, a matter with which the UNCTAD Committee on Shipping should concern itself directly as its competence is broader than that of the Group.

4. The Group expressed its deep concern about the changes in the dimensions of containers. It took note of the work of the Committee on Shipping in this area and asked to be kept informed of any further development.

5. The Group welcomes the excellent co-operation between UNCTAD and the World Bank regarding the maintenance of port equipment, which is a sine qua non for the proper functioning of ports at the present time owing to their considerable mechanization. The principles set out in UNCTAD and World Bank documents should be an inspiration to governmental and port authorities in this area. The Group is of the opinion that it would be useful to make an examination at the international level of the possibilities of applying some principles or rules to avoid the proliferation in the same port of equipment having incompatible parts, and requests financing institutions, donor countries and manufacturers to attempt to reach agreement on some guiding principles.

6. In the sphere of data processing and the use of computers in ports, the Group welcomes the efforts made by UNCTAD and recommends that they be stepped up and continued. It encourages port authorities to computerize their management and operating systems because a low level of development is not incompatible with intensive use of computers provided that the requirements are precisely formulated, in which respect the Group recommends that computer-use diagrams be prepared. It also recommends that priority be given to the training of personnel and urges financing institutions to assist the UNCTAD secretariat in carrying out in developing countries the training programme presented at the meeting. Lastly, it recommends that port authorities promote the development of computerized systems for electronic data interchange (EDI) because of the greater efficiency and reliability, and the reduction of wasted time, losses and costs that they make possible.

7. With regard to co-operation between ports in developing countries, the Group noted with satisfaction the UNCTAD document on this matter (TD/B/C.4/AC.7/8) and endorsed its recommendations for the strengthening of this co-operation, particularly in the spheres of training, the exchange of local know-how, and participation in the activities of regional and international port associations. The Group further recommends that financing institutions give priority to assistance programmes in these spheres.

B. Specific recommendations concerning technical assistance and training activities and the secretariat's future study programme

8. The Group welcomes the complementary nature and quality of the secretariat's work in these high-priority areas. However, it expresses its concern on noting that the resources currently available for carrying out these activities are less than those that were available at the time of the Group's first meeting, although they were then already less than the resources that had been available at the beginning of the 1970s. The Secretary-General

of UNCTAD and donor countries should encourage the application of sufficient resources to enable the following recommendations to be implemented. The Group welcomes the strengthening of co-operation between UNCTAD, IMO and ILO, and requests that this co-operation be further stepped up.

1. Technical co-operation and training

9. The UNCTAD secretariat is recommended to give high priority to these activities and, in particular, to assist developing countries in applying UNCTAD studies. It is recommended that UNDP and donor countries finance the highly useful programmes of interregional advisers to promote the application of the studies and the IPP, TRAINMAR and JOBMAR training programmes. On this matter, the Group considers that the recommendations of the mission evaluating the Division's technical assistance and training programme are relevant, in particular when they call for a strengthening of the co-ordination between these programmes. The Group considers that the whole of the population concerned must be trained if training is to yield results. Hence the importance of programmes covering all needs on each subject, as recommended by UNCTAD, when producing an integrated training programme on port equipment, which can incorporate the various activities carried out by the United Nations system, and by other organizations, and by countries. The Group is of the opinion that, in developing new courses, the secretariat should give priority to topics that are directly linked with the development of the new functions and the new role of the port. In that context, the spheres of computerization and data interchange, planning, the fixing of tariffs, and the promotion of port and trading policy should be given priority for the production of teaching material and the training of instructors to give courses on general policy and promote the IPP programme in the main working languages of the organization, so as to assist the developing countries to prepare for these changes. The financing of monitoring and training projects for middle-level and lower-level management at the national level and in the context of the TRAINMAR programme is equally desirable. Generally speaking, the Group recommends that those projects that have been adopted as priority projects and have received financing be carried through to completion.

2. Future study programme

10. Many participants, particularly those from developing countries, said that they had derived great benefit from reading the UNCTAD port studies and from the courses or seminars they had attended on the subjects dealt with in the studies. The Group recommends that the necessary measures should be taken to ensure that these prestigious research activities are actively pursued, if necessary with the collaboration of other competent international organizations. Most developing countries lack the means to carry out such research, are particularly appreciative of the work done, and would like UNCTAD to be a reference and research centre for them in the matter of ports and to have particular regard for their concerns.

11. Having examined the proposals of the secretariat, and in the light of the discussion on the matter, the Group recommends that priority be given to the following five studies:

- The principles of modern port management and organization;

- Development of the commercial function, promotion of the port area and of the concept of the port as a service centre;

- Development of human resources;

- The legal and regulatory aspects of port activities;

- Strategic planning.

12. It further asks that the following additional studies be undertaken when sufficient resources are available:

- The fixing of tariffs and port finance;

- Relations between the city and the port;

- Trans-shipment (case study in a developing country).

13. The Group welcomes the co-operation between UNCTAD and IAPH in the production of monographs dealing with practical subjects of use in the sphere of port development, improvement and administration, making use of the experience gained in a port that may be of use to the international community. It recommends that this experiment be continued.

14. The Group welcomes the setting up, in accordance with these recommendations, of an informal network of focal points to facilitate the flow of information between UNCTAD and ports. It recommends that the network be extended to all countries. The port Newsletter published by the secretariat has been very well received and should continue to be published at least once a year and, if possible, twice, with the addition of information of a technical nature on the most recent developments of direct interest to ports.

15. In conclusion, the Group recommends that the Committee on Shipping convene a further session of the Group between its fifteenth and sixteenth sessions with an agenda comparable to that of the present session, but comprising, if possible, a high-level seminar for senior port officials.